

RESOLUTION NO. _____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN
JOSE MODIFYING THE TEACHER HOMEBUYER
PROGRAM**

WHEREAS, on June 29, 1999, the Council of the City of San José ("City Council") approved the creation of the Teacher Homebuyer Program ("THP") with the goal of recruiting and retaining public school teachers in the City of San José by providing second mortgage financing at favorable loan terms that make it possible for homebuyers to secure first mortgage financing that they might not otherwise not have been able to obtain; and

WHEREAS, the THP has an annual budget of \$4 million and since the inception of the program the maximum loan amounts have been amended several times as a result of changes in the housing market and City of San José ("City") budget restraints; and

WHEREAS, on September 20, 2005, the City Council authorized the an increase in the maximum loan amounts from \$25,000 to \$40,000 for moderate income households and from \$40,000 to \$65,000 for lower income households; and

WHEREAS, in November 2008, the City Council approved the expansion of the THP to include other credentialed staff in public schools as eligible participants; and

WHEREAS, as described in the Director of Housing report dated February 9, 2009, the cost of housing has decreased and the demand for the loans has increased and this reduction in the loan amounts will allow the program to assist more eligible homebuyers; and

WHEREAS, the City desires to decrease the maximum loan amount from \$40,000 to \$35,000 for households earning between 90% and 120% of Area Median Income

("AMI") and to decrease the maximum loan amount from \$65,000 to \$50,000 for households earning less than 90% of AMI;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The Teacher Homebuyer Program is hereby modified to decrease the maximum loan amount from \$40,000 to \$35,000 for households earning between 90% and 120% of Area Median Income, as more specifically set forth in the Director of Housing report dated February 9, 2009.
2. The THP is hereby modified to decrease the maximum loan amount from \$65,000 to \$50,000 for households earning less than 90% AMI, as more specifically set forth in the Director of Housing report dated February 9, 2009.

ADOPTED this ____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk